

- 9 4. By inserting in line twenty-five (25) after the word "cities," the
10 word "towns,".

Approved June 22, 1967.

CHAPTER 362

ELECTRIC TRANSMISSION LINES

H. F. 668

AN ACT relating to the use of eminent domain for the purpose of erecting electric transmission lines.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 SECTION 1. Section four hundred eighty-nine point six (489.6),
2 Code 1966, is amended by adding thereto the following:
3 "Where a petition seeks the use of the right of eminent domain over
4 specific parcels of real property, the commission shall prescribe the
5 notice to be served upon the owners of record and parties in possession
6 of said property over which the use of the right of eminent domain is
7 sought."

Approved July 3, 1967.

This Act was passed by the G. A. before July 1, 1967.

CHAPTER 363

INDEMNIFICATION OF CORPORATION OFFICERS

H. F. 563

AN ACT relating to indemnification of officers, directors, employees, and agents of corporations.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 SECTION 1. Section four hundred ninety-six A point four (496A.4),
2 Code 1966, is hereby amended by striking therefrom subsection fifteen
3 (15).

- 1 SEC. 2. Chapter four hundred ninety-six A (496A), Code 1966, is
2 hereby amended by adding thereto the following new section:

- 3 **Indemnification of officers, directors, employees and agents; insur-**
4 **ance.**

- 5 1. A corporation shall have power to indemnify any person who was
6 or is a party or is threatened to be made a party to any threatened,
7 pending or completed action, suit or proceeding, whether civil, crim-
8 inal, administrative, or investigative (other than an action by or in
9 the right of the corporation) by reason of the fact that he is or was a
10 director, officer, employee, or agent of the corporation, or is or was
11 serving at the request of the corporation as a director, officer, em-
12 ployee, or agent of another corporation, partnership, joint venture,

13 trust or other enterprise, against expenses (including attorneys' fees),
14 judgments, fines and amounts paid in settlement actually and reason-
15 ably incurred by him in connection with such action, suit, or proceed-
16 ing if he acted in good faith and in a manner he reasonably believed
17 to be in or not opposed to the best interests of the corporation, and,
18 with respect to any criminal action or proceeding, had no reasonable
19 cause to believe his conduct was unlawful. The termination of any
20 action, suit or proceeding by judgment or order against such person
21 on the merits, conviction, or upon a plea of nolo contendere or its
22 equivalent, shall, of itself, create a presumption that the person did
23 not act in good faith and in a manner which he reasonably believed to
24 be in or not opposed to the best interests of the corporation, and, with
25 respect to any criminal action or proceeding, had reasonable cause to
26 believe that his conduct was unlawful.

27 2. A corporation shall have power to indemnify any person who was
28 or is a party or is threatened to be made a party to any threatened,
29 pending or completed action or suit by or in the right of the corpora-
30 tion to procure a judgment in its favor by reason of the fact that he
31 is or was a director, officer, employee, or agent of the corporation, or
32 is or was serving at the request of the corporation as a director, offi-
33 cer, employee, or agent of another corporation, partnership, joint
34 venture, trust or other enterprise, against expenses (including attor-
35 neys' fees) actually and reasonably incurred by him in connection
36 with the defense or settlement of such action or suit if he acted in
37 good faith and in a manner he reasonably believed to be in or not
38 opposed to the best interests of the corporation. However, no indem-
39 nification shall be made in respect of any claim, issue or matter as to
40 which such person shall have been adjudged to be liable for negligence,
41 fraud or other civil or criminal misconduct in the performance of his
42 duty to the corporation.

43 3. To the extent that a director, officer, employee, or agent of a cor-
44 poration has been successful on the merits or otherwise in defense of
45 any action, suit, or proceeding referred to in subsections one (1) and
46 two (2) of this section, or in defense of any claim, issue or matter
47 therein, he shall be indemnified against expenses (including attorneys'
48 fees) actually and reasonably incurred by him in connection there-
49 with.

50 4. Any indemnification under subsections one (1) and two (2) of
51 this section (unless ordered by a court) shall be made by the corpora-
52 tion only as authorized in the specific case upon a determination that
53 indemnification of the director, officer, employee, or agent is proper in
54 the circumstances because he has met the applicable standard of con-
55 duct set forth in subsections one (1) and two (2) of this section. Such
56 determination shall be made (a) by the board of directors by a major-
57 ity vote of a quorum consisting of directors who were not parties to
58 such action, suit or proceeding; or (b) if such a quorum is not obtain-
59 able, or, even if obtainable a majority vote of a quorum of disinter-
60 ested directors so directs, by independent legal counsel in a written
61 opinion; or (c) by the shareholders.

62 5. The indemnification provided by this section shall not be deemed
63 exclusive of any other rights to which a person indemnified may be
64 entitled under any by-law, agreement, vote of shareholders or dis-

65 interested directors or otherwise, both as to action in his official
 66 capacity and as to action in another capacity while holding such office,
 67 and shall continue as to a person who has ceased to be a director,
 68 officer, employee, or agent and shall inure to the benefit of the heirs,
 69 executors, and administrators of such a person.

70 6. A corporation shall have power to purchase and maintain insur-
 71 ance on behalf of any person who is or was a director, officer, employee
 72 or agent of the corporation, or is or was serving at the request of the
 73 corporation as a director, officer, employee, or agent of another cor-
 74 poration, partnership, joint venture, trust, or other enterprise against
 75 any liability asserted against him and incurred by him in any such
 76 capacity, or arising out of his status as such, whether or not the cor-
 77 poration would have the power to indemnify him against such liability
 78 under the provisions of this section.

1 SEC. 3. Chapter four hundred ninety-one (491), Code 1966, is
 2 hereby amended by adding thereto the following new section:

3 The provisions of section two (2) of this Act shall apply to cor-
 4 porations organized under or subject to this chapter.

1 SEC. 4. This Act, being deemed of immediate importance, shall be
 2 in full force and effect from and after its passage and publication in
 3 the Southern County News, a newspaper published at Thornton, Iowa
 4 and in The Red Oak Express, a newspaper published at Red Oak,
 5 Iowa.

Approved July 24, 1967.

This Act was passed by the G. A. on, or after, July 1, 1967.

I hereby certify that the foregoing Act, House File 563, was published in the Southern
 County News, Thornton, Iowa, August 3, 1967, and in The Red Oak Express, Red Oak,
 Iowa, July 31, 1967.

MELVIN D. SYNHORST, *Secretary of State.*

CHAPTER 364

IOWA CENTENNIAL MEMORIAL FOUNDATION

H. F. 168

AN ACT to amend section five hundred four point thirty-two (504.32), Code 1966, rela-
 tive to the Iowa Centennial Memorial Foundation.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section five hundred four point thirty-two (504.32),
 2 Code 1966, is hereby amended by striking from line nine (9) of the
 3 second paragraph the word "education" and inserting in lieu thereof
 4 the word "regents".

Approved May 18, 1967.